

SAP Customer Success Story Media – Newspaper Publishing



“SAP solutions on Linux have reduced the company’s server infrastructure cost by as much as 40%.”

Peter Baer, Chief Information Officer, St. Galler Tagblatt AG

AT A GLANCE

Summary

St. Galler Tagblatt AG – based in St. Gallen, Switzerland – wanted to cut IT costs and standardize its software systems. The newspaper publisher successfully migrated its existing SAP® software for business and data warehousing to a Linux platform and deployed MaxDB as a cost-effective, powerful new database system.

Web Site

www.tagblatt.ch (German only)

Key Challenges

- Prohibitive cost of proprietary UNIX software licenses and system management software
- Limited hardware choices for operating environment

Project Objectives

- Reap the benefits of a UNIX-type operating environment without the cost of UNIX
- Implement a standardized, resilient, powerful, scalable, future-ready operating environment
- Maintain freedom of choice in server hardware
- Enable high-performance system capable of processing large volumes of data

Solutions and Services

- SAP solutions on Linux
- MaxDB
- SAP Consulting

Why SAP Solutions and Services

- Enhance existing close professional relationship
- Offer extensive support for Linux platform

Implementation Highlights

- Rapid, smooth implementation
- Good, expert advice on running SAP solutions on Linux

Key Benefits

- 40% cost savings on server infrastructure
- Freedom of choice in hardware
- Very stable system
- Excellent performance
- Infrequent system restarts
- Annual savings of more than CHF 540,000 (€340,000)

Implementation Partners

- TDS MultiVision AG
- Bechtle Data AG
- CC Computersysteme und Kommunikationstechnik GmbH

Existing Environment

- mySAP® ERP Human Capital Management solution
- mySAP ERP Financials solution
- SAP NetWeaver® Business Intelligence component
- SAP for Media solution portfolio
- SteelEye LifeKeeper clustering software

Third-Party Integration

- Database: MaxDB
- Hardware: IBM
- Operating System: SuSE Linux

ST. GALLER TAGBLATT

Secure SAP® Solutions on Linux Help Cut Costs While Boosting Performance

One of the greatest challenges facing the IT departments at the Neue Züricher Zeitung (NZZ) – news media conglomerate of St. Gallen, Switzerland – and its St. Galler Tagblatt AG subsidiary is containing the cost of IT, particularly the cost of software licensing. Facing major hardware and software upgrades, IT management realized that enhancing the existing proprietary UNIX operating environment would increase the already substantial software license costs. It would also drastically limit hardware choices.

Going Open Source with Confidence

NZZ and St. Galler Tagblatt were attracted by the enormous cost-saving potential of open source software. They decided to migrate the existing SAP® software environment and third-party system maintenance applications to Linux while implementing MaxDB as a cost-effective alternative to the previous database system.

“We wanted to standardize our systems on open source software to simplify maintenance and lower costs and decided to run as many applications as possible under Linux,” says Peter Baer, chief information officer at St. Galler Tagblatt AG. “The availability of SAP solutions on Linux, and the confidence we had in the Linux skills and knowledge of SAP Consulting, took us a great step forward in achieving this goal.”

Although his company was among the first in Switzerland to take such a step, Baer had the full backing of the NZZ corporate management. “There was very little internal skepticism about going open source,” he says. “As IT people, we had full confidence in the reliability and performance of Linux.”

His arguments were convincing. Open source software does not carry the high license fees associated with proprietary operating systems, and it is future-proof. The pace of development cannot be constrained by any individual vendor because open source code is freely available to anyone. To enable maximum performance and scalability – factors that are important to St. Galler Tagblatt – SAP solutions on Linux support 64-bit technology.

“The total cost of ownership is dramatically lower than that of proprietary UNIX environments,” says Baer. “We calculate that we are saving more than CHF 540,000 a year (€340,000) as a result of moving to Linux.”

“With Linux we are free to choose the hardware configuration we favor. We can get competing bids on an identical hardware configuration and then select the least expensive one,” Baer continues. “In addition, system maintenance tools are less expensive for Linux than for other operating systems and often available sooner than for proprietary operating systems.”

Standardizing the Environment with Linux

The newspapers pooled their resources to leverage synergies within the two businesses. The NZZ data center in Zurich now hosts Microsoft Windows-based applications, while St. Galler Tagblatt operates the entire Linux environment for both companies. The group has an environment that comprises the mySAP™ ERP Human Capital Management solution, the mySAP ERP Financials solution, the SAP NetWeaver® Business Intelligence (SAP NetWeaver BI) component, and the SAP for Media solution portfolio.

These applications process media sales and distribution data, subscriptions, billing, and advertising activities. Linked with production systems through a custom interface, orders can be processed quickly and publications forwarded directly to customers. An important function is the certification of circulation statistics, which are valuable in attracting advertisers. “We have an enormous database, which is steadily growing. Data is exported each day into SAP NetWeaver BI, the data warehouse application used for analysis and reporting,” says Baer. “Our database applications have to meet stringent performance requirements.”

“What users did notice was the performance increase. . . . With this new environment, everyone works very productively.”

Peter Baer, Chief Information Officer, St. Galler Tagblatt AG

While implementing Linux and MaxDB, St. Galler Tagblatt upgraded its hardware, purchasing several IBM 64-bit servers. Implementation partners contributed as follows: TDS MultiVision AG provided server integration as well as support for and implementation of SuSE Linux and MaxDB, Bechtle Data AG handled the implementation of server hardware, and CC Computersysteme und Kommunikationstechnik GmbH provided implementation and support for SteelEye LifeKeeper clustering software – an important component for fail-safe operation of the server environment.

Linux know-how was a key factor in the success of the migration project. “The Berlin office of SAP Consulting was especially helpful in providing pre-implementation advice and helping us optimize MaxDB,” Baer explains. “SAP and its partners developed close cooperation with us, which made the implementation rapid and nearly trouble-free.”

An Attractive Alternative

Changes to the operating environment are not usually of concern to end users. “What users did notice was the performance increase,” says Baer. “With SAP solutions on Linux and MaxDB, we have more than tripled database performance. With this new environment, everyone works very productively.”

St. Galler Tagblatt’s expectations of lowered IT costs from Linux and MaxDB have fully materialized. “SAP solutions on Linux have reduced the company’s server infrastructure cost by as much as 40%. We are able to accomplish more with the same budget, allowing the company to absorb cost increases in other areas without having to raise consumer prices,” Baer states.

There are other important advantages to running SAP solutions on Linux. “The security and operational stability of SAP solutions on Linux are as good as on UNIX,” says Baer.

Asked how he views the migration to Linux in retrospect, Baer concludes: “I would do it again and I recommend it. I believe it is important that we have freedom to choose and proven alternatives in the operating systems arena.”

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